Congress of the United States Washington, DC 20515

September 21, 2021

The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives H-232 U.S. Capitol Washington, D.C. 20515 The Honorable Charles Schumer Senate Majority Leader United States Senate Washington, D.C. 20510

Dear Speaker Pelosi and Leader Schumer:

We applaud your leadership on, and commitment to, passing President Biden's Build Back Better initiatives. Last week, the House Committee on Education and Labor passed the necessary investment in child care that reflects the scale and scope of support that American families need. Specifically, the Committee's vote to ensure that no family pays more than 7 percent of its household income on care for young children recognizes the economic benefits of protecting our economy from the financial instability and workforce reduction caused by unaffordable child care. We urge you to preserve this provision in the final passage of this bill.

As you know, child care is central to delivering on our promise to Build Back Better and invest in our nation's children, families, and economic future. We have the opportunity to create a universally affordable child care program that leaves no family behind. As such, we must give every American access to child care by maintaining the provision to cap out-of-pocket child care costs as a percentage of income. Abruptly cutting off eligibility at specific income levels fails to recognize that the costs of child care disrupt the financial security of nearly all parents with young children, particularly single mothers who need more care, people living in states with high costs of child care, and people with more than one young child. It is important to underscore that more families will be served by the 7 percent formula, as passed by the House Committee on Education and Labor.

Before the pandemic, the average American family spent almost \$10,000 a year *per child* on child care.¹ This expense is exacerbated for families living in states with high costs of living. In more than half of states, child care tuition can exceed the cost of in-state college tuition, and for many families the costs of child care dwarf even their home mortgage. To make matters worse, about half of all parents planning to enroll their children in child care say they are planning to

accumulate credit card debt to pay for the expense. This is unacceptable. No parent should go into debt to provide quality care for their child while working a full-time job.

These numbers are drastically worse for low-income single parents, who spend upwards of 50 percent of their earnings on child care.² The Department of Health and Human Services has determined that, in order to be affordable, child care should not cost a family more than 7 percent of its household income.³

The pandemic has created particular harms for some Americans. Working parents, especially mothers, have lost their jobs or have been forced to reduce their working hours as the direct result of school and day care closures. An estimated 1.2 million parents left the workforce between February and October 2020.³ Women have lost nearly three million jobs since February 2020, and their return to the workforce has been anemic. In August 2021, women accounted for just 12 percent of job gains. It would take nine straight years of job growth at that level for women's participation in the workforce to be restored to pre-pandemic levels.⁴

Given the inherent inequities of the pandemic, the resurgence of COVID-19 cases in July of this year disproportionately affected women and parents, who are dealing with school and day care closures along with continued financial hardships and an uncertain future of remote work.

Millions of Americans, particularly women, are continuing to leave the workforce, hesitating to form small businesses, and forgoing promotions because child care is unaffordable for most families. Our entire economy continues to suffer as a result. Businesses cannot effectively recruit because child care accounts for nearly all of an entry-level employee's pay. Women have stagnated in achieving leadership positions, and women's workforce participation is at a 30-year low. Jobs during non-traditional hours are dominated by men. These realities are a big problem for our economy.

¹ Leonhardt, M. (2021, May 19). Parents spend an average of \$8,355 per child to secure year-round child care. CNBC. https://www.cnbc.com/2021/05/19/what-parents-spend-annually-on-child-care-costs-in-2021.html

² The Brookings Institution, "Why the federal government should subsidize childcare and how to pay for it," Grover J. "Russ" Whitehurst, March 9, 2017, https://www.brookings.edu/research/why-the-federal-government-should-subsidize-childcare-and-how-to-pay-for-it/

³ The Brookings Institution, "Why the federal government should subsidize childcare and how to pay for it," Grover J. "Russ" Whitehurst, March 9, 2017, https://www.brookings.edu/research/why-the-federal-government-should-subsidize-childcare-and-how-to-pay-for-it/

⁴ The National Women's Law Center, "At August's Rate, It Will Take Women 9 Years to Regain The Jobs They Lost In the Pandemic," Jasmine Tucker, September 3, 2021, https://nwlc.org/resources/at-augusts-rate-it-will-take-women-9-years-to-regain-the-jobs-they-lost-in-the-pandemic/

⁵ The Center For American Progress, "Costly and Unavailable: America Lacks Sufficient Child Care Supply for Infants and Toddlers" Steven Jessen-Howard et al, August 4, 2020 https://www.americanprogress.org/issues/early-childhood/reports/2020/08/04/488642/costly-unavailable-america-lacks-sufficient-child-care-supply-infants-toddlers/

The child care crisis is a crisis of productivity. It is an economic quicksand that multiple generations are mired in: older Americans who provide unpaid child care to grandchildren, parents who exit the workforce, and kids who fall behind because their families cannot afford quality care. Including a universal cap on child care costs of 7 percent of annual household income will allow us to deliver on our promises to the American people by creating a program designed to target relief to workers who need it, especially in areas with high costs of living.

Thank you for your commitment to helping as many families as possible with this historic legislation. We look forward to working with you to implement policies that will have a profound impact on our nation's families.

Sincerely,

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Jake Auchincloss	Cindy Axne
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Tony Cárdenas	André Carson

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Troy A. Carter, Sr.	David Cicilline
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Deborah K. Ross	Lucille Roybal-Allard
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Norma J. Torres	Ritchie Torres
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Lori Trahan	David Trone
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Lauren Underwood	Juan Vargas
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Nydia M. Velázquez	Maxine Waters
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Bonnie Watson Coleman	Peter Welch
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Susan Wild	Nikema Williams
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Frederica Wilson	Lois Frankel
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Chairman Bernie Sanders, Senate Committee on the Budget